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HAMMOND POWER SOLUTIONS SIGNS CONTRACT WORTH \$1.6 MILLION

Guelph, May 8 – Hammond Power Solutions Inc. (HPS) today has received orders valued at C\$1.6 million with Cutler-Hammer, of Ashville, North Carolina. Cutler-Hammer, a member of the Eaton Corporation group of diversified industrial companies, is a full line manufacturer of electrical distribution and control products.

Under the terms of the contract, HPS will supply transformers for the upgrade and capacity expansion of existing power co-generation systems at B.C. Hydro. The HPS units will be utilized in excitation systems that are fundamental to the operation of the turbine.

William G. Hammond, Chairman and CEO, said that HPS is gratified to be working with a globally distinguished company such as Cutler-Hammer, which provides HPS with access to other global markets. Mr. Hammond also noted that HPS continues to experience an increasingly positive mood from a number of its customers as they experience an up-tick in their core businesses.

Hammond Power Solutions Inc. is the North American stand-alone leader for the design and manufacture of custom electrical engineered magnetics and is also the leading manufacturer of standard electrical dry-type transformers. Leading edge engineering capabilities, high quality products, and fast and responsive service to customers' needs have all served to establish HPS as a technical and innovative leader in the electrical and electronic industries. The Company has two manufacturing plants in Canada, one in the United States and one in Mexico.

The Company's shares trade on the Toronto Stock Exchange under the symbol HPS.A.

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FOR FURTHER INFORMATION PLEASE CONTACT:

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